

SUBDIVISION BASE PARCEL TAX AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies provisions of the Property Tax Act relating to redemption.

Highlighted Provisions:

This bill:

- defines terms;
- describes the procedure by which an owner of a portion of a subdivided property on which the property tax is delinquent may redeem the owner's portion of the property.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1346, as last amended by Laws of Utah 1995, Chapter 181

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-1346** is amended to read:

59-2-1346. Redemption -- Time allowed.

(1) As used in this section:

(a) "Base parcel" means a property:

(i) on which the property tax is delinquent; and

(ii) that was subdivided into two or more lots, parcels, or other divisions of land,

during a year in which delinquent property taxes were assessed.

(b) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of a base parcel.

[~~(1)~~] (2) (a) Property may be redeemed on behalf of the record owner by any person at

any time prior to the tax sale which shall be held in May or June as provided in Section 59-2-1351 following the lapse of four years from the date the property tax became delinquent.

(b) A person may redeem property by paying to the county treasury all delinquent taxes, interest, penalties, and administrative costs that have accrued on the property.

(3) (a) Subject to Subsection (3)(d), a record owner of a subdivided lot may redeem the subdivided lot by:

(i) paying the county treasury a proportional share of the delinquent taxes, interest, penalties, and administrative costs accrued on the base parcel, calculated in accordance with Subsection (3)(b); and

(ii) providing the county treasurer proof that the owner satisfies the requirements described in Subsection (3)(d).

(b) The county treasurer shall calculate the amount described in Subsection(3)(a)(i) by comparing:

(i) the assessed value of the subdivided lot in the condition as it existed on January 1 of the most recent calendar year in which the delinquent property taxes on the base parcel were assessed; and

(ii) the assessed value of the base parcel the year in which the delinquent taxes were assessed.

(c) If the county treasurer does not have sufficient information to calculate the amount described in Subsection (3)(a)(i), upon request from the county treasurer, the county assessor shall:

(i) assess the fair market value of the subdivided lot as of January 1 of the most recent calendar year in which the delinquent property taxes on the base parcel were assessed; and

(ii) provide the amount to the county treasurer.

(d) An owner may only redeem a subdivided lot under this Subsection (3) if:

(i) the owner purchased the subdivided lot as a bona fide purchaser; and

(ii) the subdivided lot is the result of a subdivision that is approved by the relevant land use authority, as defined in Section 10-9a-103 or 17-27a-103.

~~[(2)]~~ (4) At any time prior to the expiration of the period of redemption the county treasurer shall accept and credit on account for the redemption of property, payments in amounts of not less than \$10, except for the final payment, which may be in any amount. For

64 the purpose of computing the amount required for redemption and for the purpose of
65 distributing the payments received on account, all payments shall be applied in the following
66 order:

67 (a) against the interest and administrative costs accrued on the delinquent tax for the
68 last year included in the delinquent account at the time of payment;

69 (b) against the penalty charged on the delinquent tax for the last year included in the
70 delinquent account at the time of payment;

71 (c) against the delinquent tax for the last year included in the delinquent account at the
72 time of payment;

73 (d) against the interest and administrative costs accrued on the delinquent tax for the
74 next to last year included in the delinquent account at the time of payment;

75 (e) and so on until the full amount of the delinquent taxes, penalties, administrative
76 costs, and interest on the unpaid balances are paid within the period of redemption.